

that the use of an improvement process in dealing with employees whose performance, behavior, or attendance is unsatisfactory is often advantageous. The improvement process may consist of one or more of the following steps:

1. Initial warning;
2. Written warning which outlines areas that need improvement; and
3. Commitment period.

If your performance, behavior or attendance is unsatisfactory and Chubb determines to use the improvement process, you usually will be informed of the circumstances which are viewed as unsatisfactory, have an opportunity to discuss the situation with your supervisor, and be given time to improve.

If after such counseling, your performance, behavior or attendance is still unsatisfactory or does not show significant improvement, you may be given a written warning or—if Chubb determines that the circumstances warrant it—your employment may be terminated without a written warning.

If you receive a written warning but your performance, behavior or attendance does not show significant improvement, your employment may be terminated.

If after you receive a written warning, your performance, behavior or attendance does show significant improvement, your employment may not be terminated. If your employment is not terminated, Chubb may decide to place you on a commitment period status. During the commitment period your employment may be terminated without warning if your performance, behavior or attendance is unsatisfactory at any time.

Generally, all scheduled salary increases are postponed during any initial and/or written warning period.

Chubb maintains the right to terminate your employment without having used any of these procedures.

Termination

Your employment with Chubb is voluntary on both your part and the company's. Either you or Chubb may terminate the employment relationship at any time, for any reason, with or without cause and with or without prior notice.

Earned, unused PTO days will be paid at 100% at the time of termination.

Resignation

Although you need not give prior notice to resign, your giving written notice of your resignation to your supervisor at least two weeks in advance of the date on which you plan to terminate your employment with Chubb would be appreciated.

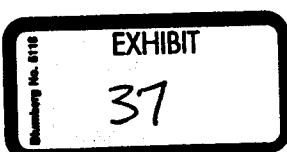
If you are absent when you are scheduled to work and do not follow our attendance or leave of absence procedures, disciplinary action, including termination of your employment, may be taken.

All benefits, except group term life insurance, end the last day you actually work and cannot be extended by your paid PTO time.

Your group term life insurance remains in force for 31 days after your termination date. Under most circumstances you may continue medical coverage, dental coverage, and the Health Care Spending Account under COBRA. You may also convert either or both your medical coverage and life insurance to individual plans. See Human Resources for details and forms.

Separation Pay

Chubb reserves the right to handle separation pay as it sees fit. However, two weeks' separation pay is oftentimes granted when employment is terminated due to the following circumstances:



- Poor performance; and
- Poor attendance.

Separation pay is not granted in cases where employment is terminated for employee misconduct, when an employee was hired into a temporary position, or when an employee resigns. Additionally, separation pay is not granted when an employee is transferred to or becomes employed by a subsidiary or affiliate of Chubb or by any other employer which has assumed directly from Chubb functions previously performed by Chubb.

If you have worked for the company for more than two years and your employment is terminated for poor performance, you may be eligible for the following special separation pay only if you sign a separation agreement acceptable to the company:

- If you have worked for the company more than two years, but less than ten years, you may receive one week of separation pay for each year worked.
- If you have worked for the company more than ten years, but less than fifteen years, you may receive one and one-half weeks of separation pay for each year worked.
- If you have worked for the company more than fifteen years, you may receive two weeks of separation pay for each year worked, not to exceed a maximum of 52 weeks.

If you receive special separation pay, you will not receive the two weeks' separation pay oftentimes accorded to employees terminated for poor performance.

If your employment is terminated due to job elimination, you may receive two weeks of separation pay for each year worked, not to exceed a maximum of 52 weeks.

Separation pay is usually paid in a lump sum subsequent to termination of employment.

These separation pay guidelines in no way alter the *employment-at-will* relationship between Chubb and any of its employees.

Personal Appearance

Your personal appearance makes a significant impression on our customers and the local community. It is important that you wear appropriate business clothing and be neat, clean, and well groomed. We expect you to use good taste and judgment in your appearance. Check with your supervisor if you have questions about dress. If there is a problem with your appearance, your supervisor may take appropriate disciplinary measures.

Personnel Files

You may review your personnel file. If you wish to do so, these guidelines apply:

- You must make a written request to the Human Resources Department.
- Human Resources will establish a mutually convenient time for the review.
- The review must take place in the Human Resources Department.
- You may make notes, but may not remove, add, or change anything in the file without prior approval.
- If you discover a mistake or disagree with part of your record, tell Human Resources about the problem. A correction will be made or you will have the opportunity to state your version of the matter in writing for inclusion in your file.
- You must sign a statement indicating that a review took place.

To safeguard your privacy, Chubb will not disclose any information about you to anyone outside the company except when required to do so by federal, state, or local law, following a subpoena or court order, or as considered appropriate by the company.

With your written authorization Chubb will provide your dates of employment, job title, and salary.

Former employees are not entitled to review their personnel files unless state law mandates such reviews or as considered appropriate by the company.